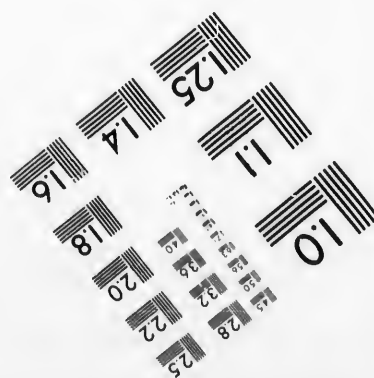
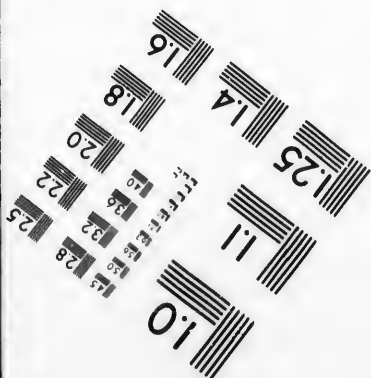
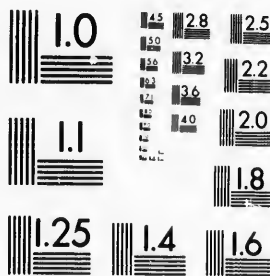


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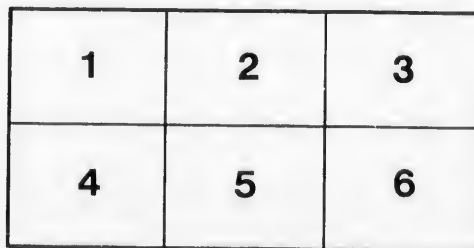
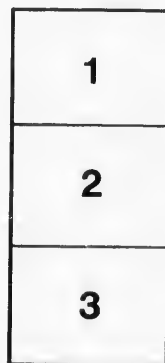
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POSTAL REFORM

BY
A. T. DRUMMOND.

REPRINTED FROM THE "QUEEN'S QUARTERLY", OCT., 1893.

Montreal:
PRINTED BY JOHN LOVELL & SON, 23 AND 25 ST. NICHOLAS STREET.

1893.



POSTAL REFORM.

The most striking fact which the report of the Postmaster-General for 1892 reveals is the immense deficit in the Post Office accounts. The net revenue for that year was \$2,652,000, but it required an additional sum of ~~over one and a half million dollars~~ ^{towards} to meet the expenditure. The net revenue did not, in fact, amount to ~~two-thirds~~ ^{four-fifths} of the expenditure of the Department. The Post Office has for years been in a chronic state of what might be termed departmental insolvency. Can this condition of affairs be remedied? In the Department of Railways it has been this year demonstrated that by a bold stroke in management huge annual deficits can be nearly wiped out, without, we will hope, any detriment to the effective working of the Government railways or to the condition of their permanent way. Is there not room for an equally bold stroke on the part of the Post Office management? This department of the Government service ought, on business principles, to be made to show a surplus.

In investigating the causes which have given rise to the deficiency, we are at the outset met with two facts—the one that huge masses of mail matter, including newspapers and periodicals, are carried either free or at a merely nominal rate, although involving an outlay to a very large sum to railways and other carriers employed by the Post Office; and the other, that the money order branch is practically unremunerative.

Whilst the public interest is served by cheap postage, it is only apparently served if the Department is thereby carried on at a loss, since this loss has to be made up by additional tariff or other imposts. In the case of newspapers and periodicals, there is no reason why they should be carried free. There is a service performed to both the publisher and the public, and that service should be paid for. If the Government sees the propriety of a duty on books where no service by it is involved, surely it is entitled to a return for the carriage of the newspapers, especially when that carriage involves a very heavy actual outlay by it. In the one case, there is a tax on education; in the other, a business return for a service performed. The old rate of one

cent on each newspaper would be unreasonable, especially in the case of the large evening dailies published at one cent, but some fee which would cover the Government's outlay for transmission should be adopted. This fee would, for the convenience of collection, require to be prepaid, but it would, in most cases, reappear in whole or part in the price of the paper or periodical. Thus it is not the publisher who would have in this matter to be consulted so much as the public, and the public should not object so long as the aim is to reimburse to the Government the cost of receiving, transmission and delivery.

For twenty-one years previous to 1889, the date of the last complete returns, the average profit on each money order was only four-fifths of a cent, and, in fact, since 1882, this branch of the service has been carried on at a loss. In seeking for a reason for this, we find that whilst in 1872 the average amount of each money order was \$38, it had fallen in 1882 to \$22, and in 1892 to \$14. The obvious conclusion is that a vast mass of the money orders now purchased bring in a revenue of only two or five cents each, and that the average revenue is considerably under ten cents. For the labor involved in connection with the making out, transmission and ultimate payment of these orders, this is clearly too small a charge. Here then is a pressing reason for either raising the fee on the sums under twenty dollars, or the adoption of the postal order, which, at a minimum trouble to all parties, would largely replace the smaller money orders, or the expansion of the registration system by including insurance.

Changes in our present system which might reduce the revenue would be open to objection, but those which would afford further facilities to the public, and be a considerable source of revenue without correspondingly increasing the expenditure, should meet with favor. And if some of these changes have passed the domain of experiment, and have been successfully adopted under the Imperial or the United States systems, there should be the more readiness to introduce them here. It is under these considerations that some new features in our system suggest themselves, and will be now referred to.

Postal orders form a ready means of transmitting very small sums by post, and are in large use both in Great Britain and the United States. They are in form like bank bills, are in convenient amounts from 25c. to \$5, and cost from one cent upwards, according to amount. A blank is left for the payee's name, but in other respects, they are

ready for use at any moment, and are paid out like bank bills, thus not entailing the loss of time to postal clerks, which the present money order does in drawing out and transmitting it, and often in paying it—a loss of time the purchaser and receiver would equally save. The advantage to the Post Office would, however, not stop here, for a relatively more remunerative scale of charges would have to be arranged for the postal orders than is adopted under the present money order system for small sums. When it is remembered that fifteen cents, and in many cases twenty-five cents, is the minimum charge made by the banks on country cheques, however small, the Department cannot apprehend difficulty in demanding a fair advance on its present scale for small sums. These postal orders should be sold to postmasters just as postage stamps are; and to prevent any possibility of alteration, the limit of any order might be made five dollars, and the amount of each order should appear more than once on its face.

It will be generally admitted that the Post Office might be made a more useful medium than it now is for the transmission of parcels, not only to the convenience of the public, but to the profit of the Department itself. The present charge on closed parcels is so high as to suggest the idea of an intentionally prohibitory rate. In Great Britain, both the Post Office and the railways offer exceedingly reasonable rates, with the result that apart from the general public, the great retail houses of London, Liverpool, Belfast and other centres, and their customers all over the United Kingdom, make the most extensive use of the parcel system. The railways have a regular tariff graduated according to weight and distance, but the Post Office charges a general rate for all points within the Kingdom of six cents for the first pound weight and three cents for each pound thereafter. To illustrate the expense under our parcel system as compared with others, a 3 lb. parcel sent 200 miles would cost by English parcel post 12 cents, by English railway delivery, 14 cents, and by Canadian Express Company, 25 cents, and in each case in the cities and towns, would be delivered at the receiver's door, whilst by Canadian parcel post it would cost 72 cents, and the receiver probably be asked, after a day's delay, to call for it at the post office. In at least the larger Canadian cities, where the great bulk of the parcel business would be done, delivery by post office van might be readily undertaken.

An improvement has just been made in the size of the postal cards,

but it is worthy of consideration whether, within certain limits of size, any card with the address confined to one side, and with a one cent stamp upon it, should not be permitted to pass through the post.

The recent further extension in Great Britain of the system of compensation for loss of registered letters reopens the subject here. Our Canadian system is very anomalous. The fee is higher than in Great Britain, but the only security the sender has, besides his receipt, is that if the letter arrives at its destination, a receipt will be taken from the party to whom it is delivered. The Government assumes no liability whatever in case of loss, but is presumed to make some effort to trace missing letters. The increase in the fee, three years ago, from two cents to five cents, has considerably decreased the number of registered letters, showing that a large section of the public does not consider that the protection afforded warrants the larger fee now charged. In 1890, the limit of compensation given by the British Post Office for loss or damage to inland registered packets was \$50; in 1892, this was increased to \$125, and in 1893 to \$250—the maximum liability on each letter being fixed by the fee paid in accordance with a regular scale, commencing with the ordinary registration fee, which itself covers an insurance up to \$25. Every registered letter there is thus insured to at least \$25.

Now, what would our Canadian Government gain, and what risk of loss might it incur under the insurance system? A summary of the Post Office business for the past four years gives the following results:

Total registered letters.....	13,507,000
Affording, if at 5 cents each, a revenue of.....	\$675,350
The missing registered letters were.....	694
Of which there were not recovered.....	401
Which were alleged to contain.....	\$23,366

But this total loss included two remittances from banks, amounting to \$11,000 of their own bills which were burned in a postal car, and were therefore not an actual loss to the banks concerned. These results make clear two facts—the large revenue obtainable from registration, and the comparatively small risk of loss the Government would sustain by adopting the system of compensation. Another fact is, however, equally clear. The revenue would be largely increased by the adoption of the system, as well as a great boon conferred on the public. If the ordinary registration fee insured as in Britain every letter up to \$25,

not many letters containing money or valuables would be sent, as they often now are, unregistered; and if, by paying a larger fee, increased compensation, according to a fixed scale, would be obtained in case of loss, a very large number of the letters now registered would bear an increased fee. In Great Britain the maximum fee is 22 cents, covering an insurance of \$250.

It has been said that the system will entail much additional labor in the Post Office. This is not the case. The system carries simplicity with it. The ordinary books for entering registered letters would merely have one more column showing the fee paid, and therefore the limit of compensation, and the present registration receipt would be stamped with the fee as well. The production of this receipt by the sender of the letter, its comparison with the entry book, and a short official form of claim filled up and properly sworn to by the sender, should be sufficient proof in the event of loss.

The marvellous promptitude and the frequency of collection and delivery in the great cities of Britain are hardly to be expected in our less populous centres, and yet our service might be much improved in these respects. The postmen should be carried by electric car or post office van to and from their starting points, and earlier delivery thus secured; the people should be encouraged to provide letter slits in their doors in order that the postman may not be delayed at so very many houses waiting the answer to his knock; and, as letter-boxes are often found to be at inconvenient distances away, all letter carriers should be instructed, as they are in Ottawa, to receive letters, when asked, and to deliver them promptly at the post office on their return from each round. Further, as correspondence goes chiefly by the night mails, and as in our country of long distances, posting letters in time for these mails generally saves twenty-four hours, the letter-boxes should not only indicate the hours of collection but that collection which ensures transmission by the night mails.

The popular impression is that the Post Office exists for the convenience and advantage of the public, and, within the limits of a balance sheet showing an equality of revenue and expenditure, this impression should be correct. There can be no apology needed for asking the Department to consider improvements which the ever-growing wants of the public seem to demand.

A. T. DRUMMOND.

